

A Correspondence School in  
Municipal Accounting  
and Reporting

Founded by Herman A. Metz

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To be conducted by the directors of the  
New York Bureau of Municipal Research

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Ex-Comptroller Herman A. Metz has written from his branch factory in Hamburg, Germany, that he has decided to establish a fund of \$10,000 a year for three years "to make available to American cities the best principles and practice worked out in municipal accounting and reporting." The fund is to be administered by the directors of the New York Bureau of Municipal Research. Comptroller Prendergast has assured the heartiest co-operation by New York City's department of finance.

Before informing the Bureau of his decision, Mr. Metz wrote to a number of city comptrollers, asking for their advice as to making the fund of greatest service. Following is a copy of his

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letter to Alonzo Tweedale, president of the American Society of Comptrollers and auditor of the District of Columbia:

"During my present trip on this side of the ocean, I have been impressed by the fact that, in Germany especially, the uniformity of accounting methods among the larger cities gives a much better basis for comparison as to cost of administration, maintenance, etc., than we have at home. As even under our various systems of administration of municipal affairs, all our cities are dependent upon their ability to float their bonds, and apparently in ever increasing amounts, it would seem only natural that bond buyers should have a means of ascertaining what financial and accounting methods are in force in the respective cities and be able to make comparison as to credit ability, based on something more than a general legal provision as to borrowing capacity.

"I am writing you therefore to ask your personal and official co-operation in some educational work in which we both have an interest, and to apprise you of my purpose to provide a fund of \$10,000 a year for three years to make available to American cities the best principles and practice worked out in municipal accounting and reporting.

"The fund is to be administered by the directors of the New York Bureau of Municipal Research. But having in mind its national application through the co-operation of various comptrollers, I am keeping it as a separate fund. While it is obvious that the \$10,000 will not reorganize the ac-



# **BUDGET EXHIBIT MAY BE SHOWN**

**Idea Is Approved by Civic Commission President,  
Comptroller Morrow and Others**

## **INSTRUCTIVE TO THE PUBLIC**

**Good Results from the Display of Two Years  
Said to Justify Holding Another**

A "budget exhibit" may be held in Pittsburgh in the autumn. The city budget conference will take early action toward considering the municipal appropriations of 1911 and at the meetings the project to hold a budget exhibit will be discussed. . . .

"I am in favor of a budget exhibit," said H.D.W. English, president of the Pittsburgh Civic Commission. "I think it is a splendid idea." . . .

Oliver McClintock said, "The exhibit will arouse the interest of the public in this important phase of municipal activity and lead the taxpayers to study the city's needs and expenditures."

"It would be a good idea to have a budget exhibit," said Comptroller Morrow. "I believe directors of departments would approve it. My last report is made out on the plan followed in the preparation of the government's accounts, a plan illustrated in the civic exhibit shown here. The civic commission now has a man who is going through the books in my office, and his report to the commission ought soon to be ready. . . .

"Superintendent J. F. Edwards of the bureau of infectious diseases could furnish interesting and instructive data. Director E. R. Walters of the department of public health has many good executed ideas which the public ought to know. The budget might show some things in which the municipality is yet deficient, but it would show many things in which Pittsburgh is efficient." - *Pittsburgh Gazette Times*

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## CITY WORK IN PARADE

At the monthly conference of department heads at city hall, plans were discussed for the Boston 1915 parade of men and floats representing city departments. (The majority of department heads were in favor of the plans) and pointed out the progress they had made in preparation by stating what they expected to exhibit.

- *Boston Herald*

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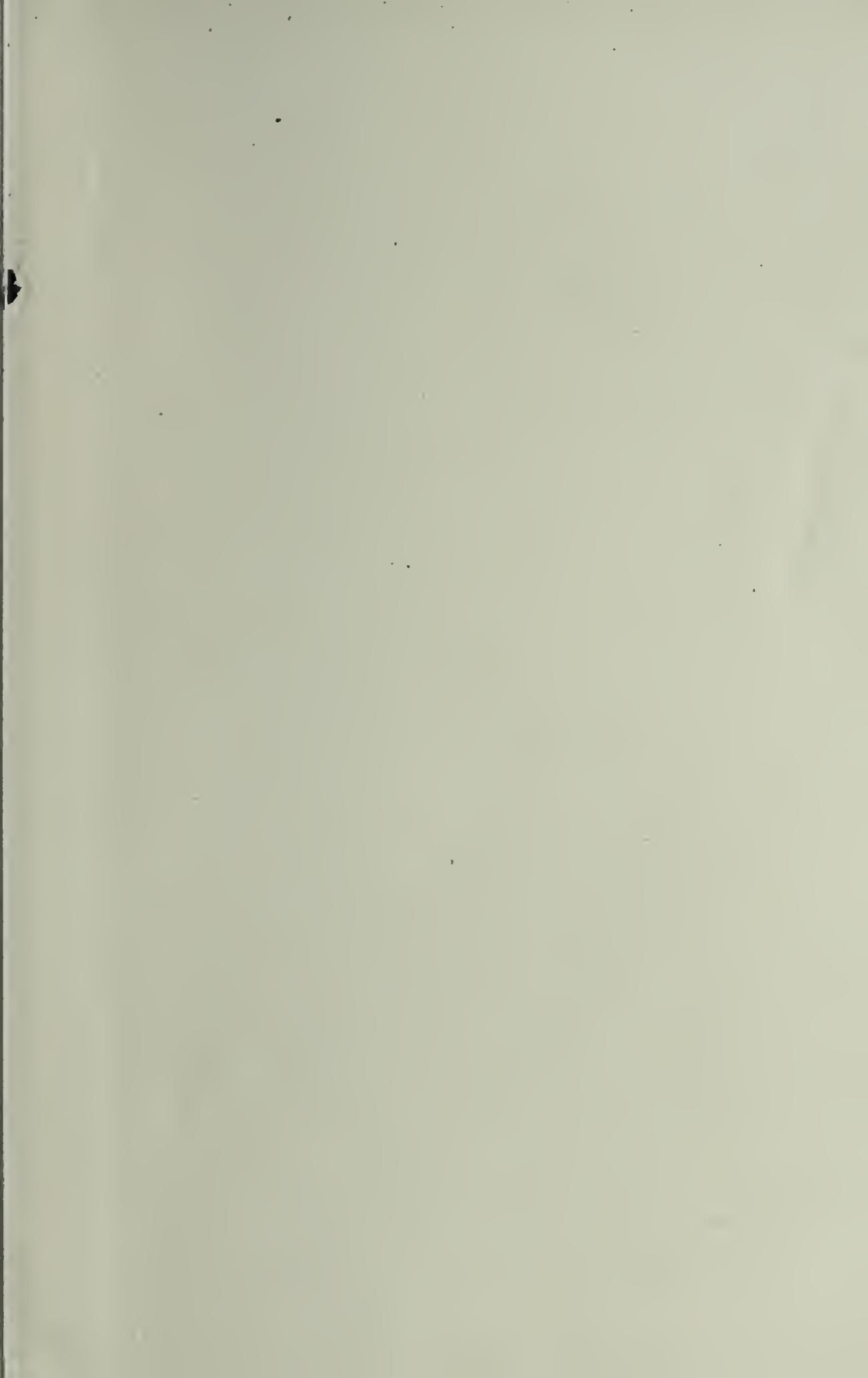
## MUNICIPAL EXHIBITS

.. There can be little question of the value of municipal exhibits. In the modern effort to secure reform in municipal administration by developing a direct and intelligent individual interest in the various communal functions, it has been found that an appeal through the eye is quite as convincing as the appeal through the ear. In New York the Bureau of Municipal Research has done some of its most effective work in its departmental exhibits in connection with budget discussions, and preparations are now being made for a still more extensive display another year (by city officials themselves). . . .

These exhibits of municipal administration might profitably be made annual features. . . . In fact, it would be possible to make such an exposition a condensed course in general and applied citizenship, which would do very much toward making a more intelligent electorate and consequently a more efficient government. . . . The educational possibilities of such a scheme are great and the beginnings of all effective reform must lie in the education of the individual citizen and his inspiration to work for the highest standard of government.

- *Boston Ev'g Herald*





## THE WRONG FOCUS

"About this time," says the Municipal Almanac "watch for the tax-rate." . . .

In the average community the tax-rate is the centre of interest in municipal administration. . . . The work of the mayor and city council in determining the amount of tax to be assessed on the community in their budget making early in the year is practically neglected by the public while great interest is shown in the work of the assessors in spring and summer in the determination of the rate. . . .

Budget making, the discussion of appropriations and the planning of municipal enterprise, is the point on which public interest in municipal finance properly should focus. But a baker's dozen of citizens, and those not representing the largest tax-paying interests of the city, attending a hearing before the city council on the question of the annual appropriation bill contrasts with general interest in and inquiry for the announcement of the completion of the assessors' task and the declaration of the tax-rate. The city council, voting its budget for the year, determines the tax which is to be assessed on the community; the assessors merely determine the rate. It eases the burden none, and often works injustice if a low tax-rate requires an abnormally high valuation, which is the natural tendency resulting from this wrong focus. Even if the tax-rate of Boston should be reduced twenty cents this year, it still would be less important for consideration than the fact that Boston exceeds all the large cities of the country in the per-capita expenditure for government.

- *Boston Herald*

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counts of all American cities, it should, however, be sufficient to make available to all cities the results of the experience which is being acquired in each. For example, New York City has spent for the last several years past, thousands of dollars in working out principles and in demonstrating the practical application of accounting methods to municipal business. A good deal of progress was made during my administration as comptroller, and I am glad to see that my successor in office is continuing the work which began under me. Every city in America should have the benefit of the work which is now being effectively carried on, and New York should have the benefit of the experience of your city and of other cities.

"City comptrollers, as you know, continually receive letters of inquiry, requesting just the kind of information which I have in mind to acquire and circulate through such an agency. Only to-day I received, through my New York office, an inquiry from the deputy comptroller of Milwaukee asking for information as to the changes made in New York methods and as to what legislation, if any, had been necessary to bring about the improvements. To-day it is nobody's business, and nobody has either the funds or organization, to give the kind of answer that ought to be given when one comptroller writes to another comptroller for information.

"I might cite a personal experience which illustrates the difficulty which I have in mind: An inquiry recently made by the Bureau of Municipal Research for Comptroller Prendergast showed that my own records of what



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the bookkeepers were doing in my personal business establishment, and the records of what the bookkeepers in the comptroller's office were doing, were widely divergent; that bookkeepers were doing five times as much work for me every day as an employer as they did for me as comptroller and did not complain of being over-worked at that. As every business man knows, the quantity of work performed by his employees is largely determined by the methods and conditions under which their work is done. The point is, that the only way to correct such discrepancies is to provide cities with businesslike methods of accounting and reporting that will keep the facts before the officers and the people who elect them, and do it by up-to-date and easily understood balance sheets and statements.

"I expect to be back in New York during the latter part of August, and I am arranging to have responses to letters sent by me to a number of comptrollers with regard to this matter, forwarded to me, so that I may be able to know how they regard the plan, and proceed accordingly on my return.

"I shall be very glad if you could spare the time at an early date to tell me candidly how you think this fund can be made of greatest service."

For additional copies address  
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